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WILEY, REIN & FIELDING

1776 K STREET, N.W.
WASHINGTON, D. C. 20006

JAN W. BARAN
(202) 429-7330

September 22, 1987

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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Lawrence M. Noble, Esquire
Acting General Counsel
Federal Election Commission
999 E Street, N. W.
Washington, D. C. 20463

Attn: Jonathan Levin

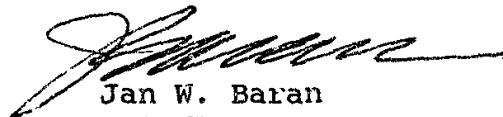
Re: MUR 2314 (National Republican
Senatorial Committee, et al.)

Dear Mr. Noble:

This response is submitted on behalf of the National Republican Senatorial Committee (the "NRSC"), in reply to interrogatories and requests for documents propounded by the Federal Election Commission ("Commission") to the NRSC on August 4, 1987.

Enclosed are the sworn answers to these interrogatories and requests, along with corresponding attachments and exhibits.

Sincerely yours,


Jan W. Baran


Trevor Potter

Counsel for the National
Republican Senatorial Committee

Enclosure

cc: Benjamin L. Ginsberg, Esq.

RESPONSE TO THE INTERROGATORIES
OF THE FEDERAL ELECTION COMMISSION IN MUR 2314

QUESTION 1. Identify and describe all of the earmarking or other "conduit" programs (e.g., the "Direct-to" Program) implemented by the NRSC for contributions to the Santini Committee. In describing each of these programs, state the title of the program, the time period covered for each program (e.g., May to August, 1986), the methods of communication (e.g., by letter and/or phone call), the method of verifying contributions and/or candidate selection, whether solicitations were made to contributors before or after a contribution to be sent on had been received by the NRSC, and whether contributions were to be transmitted by the NRSC in the form of contributor checks or NRSC checks.

RESPONSE

During the 1985-1986 election cycle, the NRSC initiated a program, known as the "Direct To" program, to enable contributors to direct their contributions to specific Republican Senatorial Candidates. There were five different "Direct To" operations targeted at different contribution bases within the Republican Party: Direct To; Direct to Auto; Miscellaneous Conduiting; the Trust Fund; and Majority '86. The Santini Committee received contributions from each of those programs, which are described below.

1. Direct-To

The "Direct-To" program involved contributors who had responded to NRSC-originated fundraising appeals, and whose contributions had been held in a segregated special account upon NRSC receipt. Affidavit dated March 10, 1987 of Maryanne E. Preztunik, NRSC Comptroller and Director of Administration, ("Preztunik Aff."), resubmitted herewith at Exhibit 1, ¶ 4. This program was conducted between November, 1985 and Election Day (November), 1986. Contributors whose

checks were held in the segregated account were immediately telephoned by NRSC callers. The contributor was asked if he or she wished to direct the contribution to a specific Republican Senatorial candidate. The names of a minimum of three, and often four, such candidates in need of contributions were mentioned as possible recipients. Id. Upon receipt of specific earmarking instructions through this telephone call, NRSC officials drew a check from the "Direct-To" account and forwarded it to the contributor-designated Senatorial campaigns. Id. ¶ 8. At the same time, a candidate support verification letter was sent to the contributor. See Exhibits 5, 6 and 7 of the NRSC's March 10, 1987 response in this MUR. (Note: two of those exhibits are printed on current NRSC stationery. These documents are reprinted samples of those sent from November 1985 to November 1986, and stored in the NRSC's word processing system since then).

It is important to note that in those instances where a contributor was not reached by an NRSC caller, or did not direct his or her contribution to particular candidate(s), the contribution in question was removed from the segregated account and deposited in the NRSC operations account, and was thereby accepted by the NRSC as a contribution, and so reported to the FEC. Further, at no time was a contribution held in the "Direct-To" special account for more than ten days. Id.

2. "Direct-To Auto" ("DT Auto")

The DT Auto program reached NRSC contributors through direct mail appeals specifically requesting earmarked contributions. This program was implemented from September 1986 to November 1986 in two separate forms. In one version of the solicitation letter, four Republican Senatorial campaigns were identified as being of great importance and in need of contributions. Potential contributors were asked to direct their contributions to the NRSC for equal division among the candidates. Eight of these letters identified Nevada as a key election. (See samples at Exhibit 2). Another version of the Direct to Auto program solicited earmarked contributions for specific named candidates. (See Exhibit 6). In both aspects of this program, the NRSC transmitted the earmarked funds to the candidates in the form of NRSC checks.

3. Miscellaneous Conduiting

The NRSC on occasion received solicited and unsolicited earmarked PAC and individual contributions for forwarding to particular candidates. Such contributions were received and conduited from July, 1986 to November, 1986. There were no specific written solicitations for these contributions. Further, no verification letters were required to be forwarded to donors as the contributions were either made payable directly to a particular candidate, or accompanied by

a letter of instruction directing the amount contributed to a particular candidate.

4. The Trust Program

The "Trust" Program consisted of solicitations to individuals who had contributed \$10,000 to the NRSC. From November, 1985 to November, 1986, the NRSC made a concerted effort to educate those contributors on their ability to earmark contributions to particular Senatorial candidates, and there were instances of debt retirement contributions conduited through the NRSC offer of November, 1986. Trust members were solicited for contributions at meetings and by telephone. Ninety-two percent of the conduited contributions received under this program were made in the form of a check payable to a particular candidate. Other earmarked contributions were verified by the NRSC either through a letter to the contributor (including a contributor verification response) or an internal NRSC memorandum following a telephone conversation. For these contributions, the NRSC transmitted funds to the candidates in the form of NRSC checks. See Exhibit 8.

5. Majority '86

The Majority '86 program was operational from November, 1985 to November, 1986. It consisted of NRSC solicitations to individuals and PACs requesting \$5000 or more. Under this program, contributors were asked to earmark \$4000 of a \$5000 contribution to candidates of their choice and designate the

remaining \$1000 to the NRSC operating account. Also, contributions from NRSC "Inner Circle" donors were deposited into the Majority '86 account (for a period not to exceed 10 days) while NRSC telephone operators contacted the donor for instructions on earmarking his or her contribution to particular Senatorial candidates. See Exhibit 9.

QUESTION 1(a). Identify all individuals whether or not employed by the NRSC who had supervisory or policy making responsibility for planning, approving, implementing or operating the NRSC's earmarking and other "conduit" programs conducted with respect to the Santini Committee. State the function of each individual with respect to those programs.

RESPONSE: These individuals and their functions are set forth in the June 1, 1987 NRSC submission to Commission Interrogatories in MUR 2282.

QUESTION 1.(b) Identify all individuals employed by the Santini Committee or acting on behalf of the Santini Committee who had contact with the NRSC in connection with the earmarking and other "conduit" programs implemented by the NRSC for contributions to the Santini Committee. State the function of each individual with respect to those programs.

RESPONSE:

Ann Holbach:	Assistant Campaign Manager and First Comptroller
Jim Cachas:	Comptroller
Ace Robinson	Campaign Manager. In his capacity as overall manager of the campaign, NRSC officials had general conversations with Mr. Robinson about fund raising which may have included mention of the earmarking programs.

QUESTION 1.(c) Provide copies of all documents pertaining to the earmarking or other "conduit" programs, including, but not limited to, the solicitations sent by the NRSC to receive those contributions that were subsequently earmarked for the Santini Committee; agreements between the Santini Committee and the NRSC pertaining to individual programs (e.g., the Direct-to Agreement); correspondence between the Santini Committee and the NRSC pertaining to planning for or implementation of these programs; telephone memoranda and internal memoranda pertaining to planning for or implementation of these programs; sample letters soliciting contributions; telephone scripts for calls to contributors; and letters and forms confirming instructions given by the contributors.

RESPONSE

Attached hereto at Exhibit 7 are sample solicitations which yielded contributions which were placed in the direct-to program's special segregated account. It was from this account that some earmarked contributions were made to candidates at the direction of the contributors. It is this program which is described herein, supra, at pages 1 and 2, in response to FEC Question 1.

Set forth at Exhibit 2, 8 and 9 are samples of letters for the other programs which generated earmarked contributions for the Santini Committee.

Set forth at Exhibit 3 is the agreement between NRSC and the Santini Committee concerning the NRSC conduiting programs.

To the best of my knowledge, correspondence between the NRSC and the Santini Committee consisted of standard form letters advising the Santini Committee of a check, consisting

of earmarked contributions that were being forwarded to it. A sample of such letters is attached as Exhibit 4.

Sample telephone scripts for contributors were previously supplied to the Commission and are set forth at Exhibit 3 of the NRSC's March 10, 1987 response in this MUR.

Set forth at Exhibit 5 are internal NRSC memoranda pertaining to the planning and implementation of the conduit program. Additional internal NRSC memoranda exist; however, because release of such materials would disclose privileged communications to or from legal counsel, such documents are not being released under the attorney-client privilege.

Set forth at Exhibit 6 of the NRSC's March 10, 1987 Response in this MUR is a sample of the letter confirming instructions given by contributors contacted by the direct-to program directing their contributions to the Santini Committee.

Attached hereto at Exhibit 10 are samples of thank you letters which were sent to contributors and which confirm the amount of their contribution to specific candidates.

QUESTION 2. State what specific earmarking or other "conduit" program for the Santini Committee were reflected in the entries on Schedule A and Schedule B of the NRSC reports. In order to do so, state the specific program, the report, and the applicable page number, identifying the page by the notation in the top right-hand corner, e.g., Line 21A, page 116 of 234. If only some of the entries on a particular page are applicable, state the names of the contributors on that page.

RESPONSE

Accompanying this Response are computer tapes prepared by the NRSC setting forth each entry on the NRSC 1985-1986 FEC disclosure reports concerning a conduited contribution to the Santini Committee.

QUESTION 3. For each earmarking or other "conduit" program state the amount of contributions transmitted from the NRSC to the Santini Committee in the form of NRSC checks and the amount of contributions transmitted from the NRSC to the Santini Committee in the form of contributor checks.

RESPONSE

1. The Direct-To Program consisted entirely of NRSC checks to senatorial candidates. The total amount earmarked to the Santini Committees through that program was \$71,627.33.
2. DT Auto Program: As discussed in response to Question 1 above, DT Auto program was designed to generate checks made payable to the NRSC for forwarding to Senatorial candidates. Under that program, the total amount of earmarked contributions transferred by the NRSC to the Santini Committee was \$399,131.80.

3. Miscellaneous Conduiting

NRSC check to Santini Committee:	\$ 28,295.54
Contributor check	\$235,901.66

4. Trust Program

NRSC check to Santini Committee:	\$ 5,600.00
Contributor check	\$107,875.00

5. Majority '86

NRSC check to Santini Committee:	\$ 32,575.00
Contributor check	\$ 43,000.00

QUESTION 4. State the factors used by the NRSC in determining whether a contribution was to be deposited in a special account for an earmarking or other "conduit" program.

The following factors were considered by the NRSC in determining whether a contribution was to be deposited into a special earmarking account:

1. Was the contribution made in response to a solicitation requesting earmarked contributions?
2. Was the contributor a member of the Senatorial Trust, Majority '86 or Inner Circle program?
3. Was the contribution over \$100? (For purposes of efficiency, only contributors of \$100 or more were contacted and asked if they wished to earmark their contributions.)
4. Had the contributor enclosed specific earmarking instructions?

The above statements are true to the best of my
knowledge and belief.

[Signature]
(Name)
(former) Chairman and Director of
(Title) Administration (02/10/83 - 07/31/87)

DISTRICT OF COLUMBIA

Subscribed to and sworn to before me this 17 day of
Sept, 1987.

[Signature]
Notary Public

JUNE C. HEARN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 13, 1988

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